Das Internationale Währungsproblem und dessen Lösung. Von THEODOR HERTZKA. Leipsic, Duncker und Humblot, 1892. — 136 pp.

Die Zukunft des Silbers. Von EDWARD SUESS. Vienna and Leipsic, Braumüller, 1892. — 227 pp.

The author of the first of these volumes is well known to the student of economics as a brilliant writer and an original thinker. Three years ago he gave to the public a scheme of social reform in a description of *Freiland*, which has had in Germany the same sort of success that Mr. Bellamy's *Looking Backward* has had in the United States. Mr. Hertzka had a happy faith that his simple scheme of communities practising universal coöperative production would solve all the difficulties of the social problem and bring happiness to humanity. A similar happy faith in the possibility of devising easy solutions to difficult problems is seen in the volume now before us. Mr. Hertzka here tries his hand at the troublesome bimetallic question. He remarks in his preface that simple ideas are oftenest those which fail to get ready acceptance, and that he is prepared for bitter opposition to his solution of the question in hand. Nevertheless, he has no doubt that it will be accepted at a comparatively early date, since he sees in it the only means of warding off the dangers which beset the civilized world from the condition of its money. His remedy is certainly a simple one — not international bimetallism, but the creation of a new money metal, consisting partly of silver and partly of gold. Hereafter the standard of value is to be neither silver nor gold, but an alloy of a certain proportion of silver and a certain proportion of gold. He suggests nine parts of silver to one part of gold; but the particular figures are immaterial. All the civilized countries are to come to an international agreement, by which a mixture containing the same proportion of gold and silver is to become the material from which coins shall be struck. Each country is to strike its coins in such manner as it sees fit, and to fix their relations to existing coins as it may see fit. In this way the new Columbus puts his egg on end.

The effects of a measure of this sort present a very pretty problem, and may be commended to those who enjoy the dialectic exercise of working out the results of novel premises. For practical purposes it is hardly more valuable as a solution of the monetary question than was the scheme of *Freiland* as a solution of the social

question. If international bimetallism is impracticable, as seems now to be agreed on all hands, this scheme is even more so.

Dr. Suess's book on *The Future of Silver* may be regarded as a continuation of his volume on *The Future of Gold*, published in 1877. The main conclusions of the two volumes are the same. Dr. Suess believes that the future production of gold is likely to decline, or at least not to increase, and that the supply of gold will not suffice for the needs of civilized communities. The production of silver, on the other hand, he thinks will increase in the future at a more regular rate than the history of the last twenty years would indicate. The great rise in the production of silver since 1870 he ascribes to a succession of lucky finds — discoveries of rich pockets of ore soon exhausted and not likely to recur. There are, on the other hand, more permanent sources of silver, especially in Mexico and in South America, from which a steady and regular increase of production may be expected. The result of these conditions, he believes, must be that silver, which alone promises a growing supply adequate to meet the development of trade, will eventually become the money metal. Any form of bimetallism is only a step of transition to this eventual result. Silver is the money of the future.

To discuss this reasoning would require a consideration of the whole bimetallic controversy, for which this is not the place. But even those who would not accept Dr. Suess's conclusions, will read with interest his chapters on the modes of occurrence and methods of production of the precious metals and of copper, on the history of the "bonanzas," and on the relative position of gold-using and silver-using countries. Dr. Suess's eminence as a geologist gives weight to his statements ; and a grace of style not common among German men of science makes his volume doubly interesting.

The obvious answer to the allegation of an insufficient stock of gold is that the extended use of credit machinery steadily diminishes the resort to actual coin, and Dr. Suess may err in saying that the supply of gold will not suffice even as a basis for a highly developed credit system. Similarly it is at least a debatable question whether in fact the gold-using countries already suffer from a scarcity of the metal, and whether the general decline in prices during the last twenty years is or is not an evil. Meanwhile it is certain that in the immediate future the drift is toward gold, and not toward silver. Whatever geological time may bring, there is nothing to indicate that in the historical future silver will succeed in displacing gold as the money of the civilized world.

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